REMARKS

This application has been reviewed in light of the Office Action mailed on October 7, 2004. The Examiner is respectfully requested to consider the amendments and arguments presented by this supplemental amendment which supercedes and replaces the previously filed amendment filed on January 7, 2005. It is Applicants understanding that the Examiner has not yet received the amendment filed on January 7, 2005 according to the PAIR system and therefore, has not spent a significant amount of time to conduct a prior art search or draft an Office Action prior to receiving this supplemental amendment. Applicants also notified the Examiner on January 28, 2005 by telephone that this supplemental amendment is being filed for the present application.

Claims 1-31 are pending in the application with Claims 1, 14, 21, 24, 28 and 30 being in independent form. By the present amendment, the abstract and Claims 1, 2, 4, 6, 7, 14-16, 21, 24, 28 and 30 have been amended. It is believed that no new matter is introduced into the new claims and the amended claims.

In the Office Action, Claims 1-5, 13, 14, 19-23 and 28-31 were rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,760,470 issued to Bogosian et al. on July 6, 2004 (hereinafter "Bogosian et al."). Bogosian et al. teaches a method for transferring funds between buyers and sellers in an electronic commerce system that provides a marketplace for users to buy and sell goods, such as online auction systems or a "flea market" system.

Independent Claims 1, 14, 21, 28 and 30 have been amended in a manner which is believed to better define Applicants' invention and to patentably distinguish Applicants' invention over the disclosure of Bogosian et al. In particular, independent Claims 1, 14, 21, 28

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and 30 have been amended and now recite the following limitations: Independent Claim 1 recites "maintaining a database of a plurality of electronic auction payment accounts corresponding to a plurality of users, including the purchaser, of said electronic auction web site and a payment segment of said electronic auction web site by an electronic auction payment system integrated with said electronic auction system, each of said plurality of electronic auction payment accounts configured for storing funds therein and each capable of being used for user transactions in the electronic auction system." Independent Claim 1 further recites "performing at least one payment-related activity by said electronic auction payment system for effecting payment for said purchaser, said at least one payment-related activity selected from the group consisting of debiting an electronic auction payment account corresponding to the purchaser of the at least one item and maintained by said electronic auction payment system, and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users."

Independent Claim 14 recites "an electronic auction payment system integrated with said electronic auction system, said electronic auction payment system comprising a plurality of electronic auction payment accounts and means for maintaining said plurality of electronic auction payment accounts corresponding to a plurality of users, including the purchaser, of the electronic auction web site, where the plurality of electronic auction payment accounts are configured for storing funds therein." Independent Claim 14 further recites "means for performing at least one payment-related activity by said electronic auction payment system for effecting payment for said purchaser, said at least one payment-related activity selected from the group consisting of debiting an electronic auction payment account corresponding to the

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purchaser of the at least one item and maintained by said electronic auction payment system, and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users."

Independent Claim 21 recites "a database containing a plurality of electronic auction payment accounts, where the plurality of electronic auction payment accounts are configured for storing funds therein…wherein said payment system maintains the database containing the plurality of electronic auction payment accounts and a payment segment of the electronic auction web site." Independent Claim 28 recites "a database containing information corresponding to a plurality of accounts of the plurality of online auction registered users, said plurality of accounts being configured for storing funds therein …wherein said payment system is integrated with said online auction system and maintains a payment segment of said online auction web site."

Independent Claim 30 recites "a database containing information corresponding to a plurality of accounts of a plurality of online auction registered users, said plurality of accounts being configured for storing funds therein; and a computing device including application software for maintaining said plurality of accounts and for automatically effecting payment for at least one of the plurality of online auction registered users … wherein said payment system is integrated with said online auction system and maintains a payment segment of said online auction web site."

The above-noted limitations are supported by Applicants' specification. Applicants' specification expressly teaches that each payment account maintained by the electronic auction payment system is configured for storing funds which can be used to effect payment. The specification explicitly states that each payment account does not store information relating to

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sources which can be used to initiate payment, such as credit card information. See paragraph 0045 of Applicants' published patent application.

Applicants' specification further sets forth throughout, including within the figures, that the electronic auction payment system which maintains the electronic auction payment accounts is integrated with the electronic auction system and maintains a payment segment of the electronic auction web site. Applicants' specification states, for example, with reference to FIG. 1 that the electronic auction payment system maintains a payment segment of the electronic auction web site and also enables a user to access the payment segment. See paragraph 0041 of Applicants' published patent application. The two integrated systems cooperate with each other for setting up payment accounts, initiating payment transactions, stopping payment transactions, transmitting end-of-auction and end-of-payment transaction e-mails, withholding funds for paying the operator of the electronic auction payment system and/or the operator of the electronic auction system, etc.

Bogosian et al. teaches away from the recitations of Applicants' claims. Bogosian et al. teaches that when a buyer purchases one or more items from a seller, **the buyer's credit card account is charged to collect funds for the purchase, and at least a portion of the collected funds is deposited into a bank account of the seller** using a previously extracted bank routing number. (Emphasis added) See Abstract; column 2, lines 48-67; column 5, lines 41-55; column 13, lines 48-55.

Applicants were aware of credit card payment methodologies for effecting payment for electronic commerce transactions as of the effective filing date of the subject patent application. In fact, a similar, if not identical method to the method described by Bogosian et al., is described

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in Applicants' Background of the Invention section (paragraph 0010 of Applicant's published application) where Applicants describe a prior art method for effecting payment where a winning bidder of an electronic auction web site accesses a payment web site (or a payment segment of the electronic auction web site) and enters credit card information. The Applicants describe that subsequently a management system overseeing the payment web site charges the credit card and upon payment confirmation, an e-mail is sent to the seller instructing the seller to ship the item to the winning bidder. The Applicants further describe that after two to three business days, the payment web site management system pays the seller by direct deposit an amount equal to the charged amount minus a commission and a transaction fee.

Bogosian et al. does not disclose or suggest payment accounts configured for storing funds therein, as recited by all of Applicants' independent claims. Bogosian et al. effects payment for a buyer by charging the buyer's credit card. Bogosian et al. recites in the Abstract, "...when a buyer purchases one or more items from a seller, the buyer's credit card account is charged to collect funds for the purchase...."

In particular, Bogosian et al. does not disclose or suggest "maintaining...a plurality of electronic auction payment accounts corresponding to a plurality of users, including the purchaser, of said electronic auction web site...each of said plurality of electronic auction payment accounts configured for storing funds therein," as recited by Applicants' independent Claims 1 and 14.

Further, Bogosian et al. does not disclose or suggest "a plurality of electronic auction payment accounts...configured for storing funds therein... and debiting the electronic auction payment account corresponding to the winning bidder of the at least one item and crediting at

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least one account ," as recited by Applicants' Claim 21 and similarly recited by Applicants' Claims 28 and 30. If Bogosian et al. taught a payment account configured for storing funds therein and corresponding to the buyer, then Bogosian et al. would have described such a payment account for effecting payment. Bogosian et al. only describes charging the buyer's credit card for effecting payment after the buyer performs at least one action (non-automatic method).

Further still, since Bogosian et al. does not disclose or suggest payment accounts configured for storing funds therein, it follows that Bogosian et al. does not disclose or suggest maintaining the payment accounts configured for storing funds therein by a payment system integrated with an auction system, as recited by Applicants' independent claims 1, 14, 28 and 30. Bogosian et al. also does not disclose or suggest a payment system which maintains a payment segment of an electronic auction web site as recited by Applicants' independent Claims 1, 14 and 21, or a payment system which maintains a payment segment of an online auction web site as recited by Applicants' independent Claim 28 and 30.

Additionally, Bogosian et al. does not disclose or suggest "performing at least one payment-related activity by said electronic auction payment system for effecting payment for said purchaser, said at least one payment-related activity selected from the group consisting of debiting an electronic auction payment account corresponding to the purchaser of the at least one item and maintained by said electronic auction payment system, and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users," as recited by Applicants' independent Claims 1 and 14.

Based at least on the above reasons, Applicants' independent Claims 1, 14, 21, 28 and 30

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are not anticipated under 35 U.S.C. §102(e) over Bogosian et al. Accordingly, withdrawal of the

rejection under 35 U.S.C. §102(e) with respect to Claims 1, 14, 21, 28 and 30 and allowance

thereof are respectfully requested.

Applicants' dependent Claims 29 and 31 recite features which are not disclosed or

suggested by Bogosian et al. In particular, Bogosian et al. does not disclose or suggest

"application software [which] **periodically effects payment** for the at least one of the plurality

of online auction registered users **without any intervention by the at least one online auction

registered user**," as recited by Applicants' dependent Claim 29 (emphasis added). Bogosian et

al. does not disclose or suggest periodically effecting payment without any intervention by a

registered user.

The word "periodic" is defined in *Webster's Encyclopedic Unabridged Dictionary of the

English Language*, Random House Value Publishing, Inc., 1996, as follows: "1. recurring at

intervals of time: *periodic revivals of an interest in handicrafts*. 2. occurring or appearing at

regular intervals: *periodic visits of a mail steamer to an island*. 3. repeated at irregular

intervals; intermittent: periodic outbreaks of the disease." Bogosian et al. at best suggests

periodically effecting payment by a buyer at regular or irregular intervals. For example, in the

system disclosed by Bogosian et al., a registered user can effect payment at a first given time,

subsequently effect payment at a second given time, subsequently effect payment at a third given

time, and so on, at regular or irregular intervals between each given time. However, in the

system described by Bogosian et al., at least one registered user, e.g., the buyer, has to intervene

every time a payment is to be made via the system described by Bogosian et al. See column 12,

line 64 to column 14, line 3. In contrast, Applicants' Claim 29 specifically states, "without any

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intervention by the at least one online auction registered user."

Similarly, with respect to Applicants' Claim 31, Bogosian et al. does not disclose or suggest "application software [which] **automatically effects payment** for the at least one of the plurality of online auction registered users **without any intervention by the at least one online auction registered user**," as recited by Applicants' dependent Claim 31 (emphasis added). As stated in the preceding paragraphs, in the system described by Bogosian et al., at least one registered user, e.g., the buyer, has to intervene every time a payment is to be made via the system described by Bogosian et al. (non-automatic system and method) See column 12, line 64 to column 14, line 3. In contrast, Applicants' Claim 29 specifically states, "automatically effects payment ... without any intervention by the at least one online auction registered user."

Additionally, with respect to dependent Claims 29 and 31, as well as dependent Claims 2-5, 13, 19, 20, 22 and 23, these claims depend from Claims 1, 14, 21, 28 and 30, and therefore include the limitations of Claims 1, 14, 21, 28 and 30. Therefore, for at least the same reasons given above for Claims 1, 14, 21, 28 and 30, Claims 2-5, 13, 19, 20, 22, 23, 29 and 31 are believed to be allowable over Bogosian et al. Accordingly, withdrawal of the rejection under 35 U.S.C. §102(e) with respect to Claims 2-5, 13, 19, 20, 22, 23, 29 and 31 and allowance thereof are respectfully requested.

Claims 6-12, 15-18 and 24-27 were rejected under 35 U.S.C. §103(a) as being unpatentable over Bogosian et al.

Independent Claim 24 has been amended in a manner which is believed to better define Applicants' invention and to patentably distinguish Applicants' invention over the disclosure of Bogosian et al. In particular, independent Claim 24 has been amended and now recites the

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following limitations: "determining if there are sufficient funds in a payment account to effect payment, said payment account being maintained by an electronic auction payment system integrated with said electronic auction system, said payment account corresponding to the user of the electronic auction web site and configured for storing funds therein."

As discussed above with respect to independent Claims 1, 14, 21, 28 and 30, Bogosian et al. does not disclose or suggest at least a payment account configured for storing funds therein, as recited by Applicants' Claim 24. Bogosian et al. effects payment for a buyer by charging the buyer's credit card. Bogosian et al. recites in the Abstract, "...when a buyer purchases one or more items from a seller, the buyer's credit card account is charged to collect funds for the purchase...."

Additionally, with respect to Applicants' independent Claim 24, there is no suggestion or disclosure by Bogosian et al. of a "method for **automatically** effecting payment for a user of an electronic auction web site [by] ... **loaning funds to effect payment**, if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site, as recited by Applicants' independent Claim 24 (emphasis added).

Based at least on the above reasons, Applicants' independent Claim 24 is not obvious over Bogosian et al. Accordingly, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claim 24 and allowance thereof are respectfully requested.

There is no suggestion or disclosure by Bogosian et al. of a method or system for effecting payment which includes withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users and charging interest for funds withdrawn from the at least one account storing funds therein as respectively recited by
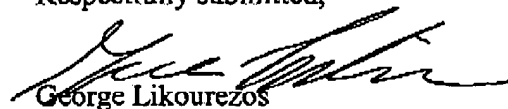
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dependent Claims 6, 7, 15 and 16. Hence, with respect to dependent Claims 6, 7, 15 and 16, it would not have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Bogosian et al. to provide the features recited by these claims.

Additionally, with respect to Applicants' dependent Claims 6, 7, 15 and 16, as well as Applicant's dependent Claims 8-12, 17, 18 and 25-27, depend from Claims 1, 14 and 24, and therefore include the limitations of Claims 1, 14 and 24. Therefore, for at least the same reasons given above for Claims 1, 14 and 24, Claims 6-12, 15-18 and 25-27 are believed to be allowable over Bogosian et al. Accordingly, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 6-12, 15-18 and 25-27 and allowance thereof are respectfully requested.

In view of the foregoing amendments and remarks, it is respectfully submitted that all claims presently pending in the application, namely, Claims 1-31, are believed to be in condition for allowance and patentably distinguishable over the art of record.

If the Examiner should have any questions concerning this communication or feels that an interview would be helpful, the Examiner is requested to call Applicants' undersigned attorney at (631) 220-5706.

Respectfully submitted,

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